

Translation Purpose Only

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To All Concerned Parties

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Frontier Real Estate Investment Corporation
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(Securities Code: 8964)

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Notice Concerning Change in Tenant
<TSUTAYA BOOK STORE TENJIN> (Follow-up report)

Today, Frontier Real Estate Investment Corporation (the "Investment Corporation") has cancelled the lease contract that had been signed with the new tenant Don Quijote Co., Ltd. (the "new tenant") for TSUTAYA BOOK STORE TENJIN (the "Property"), as announced in the press release dated March 30, 2017 and entitled "Notice Concerning Change in Tenant (TSUTAYA BOOK STORE TENJIN)". A new lease contract has been signed, and agreement has been reached on terminating the lease contract with the current tenant, TSUTAYA Co., Ltd. (the "current tenant"), as described below.

1. Background and purpose of agreement

As announced in the press release dated November 9, 2015 entitled "Notice Concerning Lease Termination (TSUTAYA BOOK STORE TENJIN)" and the press release dated March 30, 2017 entitled "Notice Concerning Change in Tenant (TSUTAYA BOOK STORE TENJIN)," the current tenant will move out of the property on October 27, 2017, and a new tenant was intended to move in on December 1, 2017, with operations to begin on April 1, 2018. Approached by the new tenant with a request to bring forward the contract start date and the date for start of operations, the Investment Corporation negotiated with the current tenant and the new tenant. Accordingly, today the existing lease contract with the new tenant was dissolved and a new contract was signed, as described in 2. below. Moreover, it was agreed that the lease contract with the current tenant would terminate on August 23, 2017.

2. Details of Lease Contract with New Tenant

	Existing lease contract	New lease contract
Name of tenant	Don Quijote Co., Ltd.	Same as on left
Type of contract	Fixed - building lease contract	Same as on left
Contract period	From December 1, 2017 to March 31, 2038	From August 24, 2017 to March 31, 2038
Base date for rent reckoning	December 1, 2017 (contract start date) (However, rent will be reduced during the period from the contract start date to the operation start date)	August 24, 2017 (contract start date) (However, rent will be reduced during the period from the contract start date to the operation start date)
Planned tenant opening date	April 1, 2018 (Note 1)	November 24, 2017 (Note 1)
Annual rent	Not disclosed (Note 2)	Same as on left
Rent revisions	March 31, 2028	Same as on left
Termination during the contract term	May not be terminated until March 31, 2025. Contract can be terminated from April 1, 2025 with a two-year advance notice	Same as on left
Security deposit	Not disclosed (Note 2)	Same as on left
Total rentable area	4,532.38 m ²	Same as on left
Total leased floor space	4,532.38 m ²	Same as on left

(Note 1) Planned tenant opening date on the contract is indicated, however this is subject to change.

(Note 2) Undisclosed as the Investment Corporation did not obtain the lessee's (new tenant) consent.

3. Change of Property Name

As a result of the tenant's move, the property name will be changed on August 24, 2017, the contract start date, to "(provisional name) Don Quijote Tenjin".

4. Outlook

There is a modest effect of this tenant relocation on the Investment Corporation's financial results in the 27th fiscal period ending December 31, 2017. However, there is no change in the operating forecast.

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Frontier Real Estate Investment website: <http://www.frontier-reit.co.jp/eng/>

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